

UNCLASSIFIED/ADMIN INTERNAL USE ONLY

No Contract

16 December 1982

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion with Stuart Johnson, Burroughs Corp.,  
3 December 1982

1. Late in the afternoon on 3 December I called Mr. Johnson to provide information he had requested in a brief telephone call on 2 December. I told him that we had received word that the Navy Supply System Command (NSSC) is preparing a letter of intent regarding their use of two Burroughs 6900 computers from the SAFE inventory and that the Continental Security Group (on behalf of the Naval Security Group) is actively interested in three more of the 6900's. This latter group has requested information about the specific equipment available and we are providing that information.
2. Mr. Johnson said he was pleased to get this news. He then ran down the list of placements, alluding to a total of ten 6900's. I pointed out that we are in possession of only seven, and that we consider the three still in Burroughs possession to be in a separate category. Their final status is a matter of negotiation when the final settlement between Burroughs and RSW is reached. I said we consider our commitment to try to place equipment in the Intelligence Community, to the extent we can, is limited to the seven machines in hand. If an amicable and reasonable settlement is reached, however, I would be happy to assist in the process of placing the other three machines elsewhere in Government, I said.
3. He asked if we had had any inquiry from something called NELO (Navy Electronic Lab?) which his salesman Don Cole had mentioned. NELO apparently needs three 6900's. I suggested that Cole call my Management Staff [redacted] to pass along the lead and to ascertain whether it is in addition to or part of the Navy Interest we are already aware of. He said he would have Cole call.
4. I told him that I had just been reviewing the claims made by Burroughs as part of the proposed settlement with RSW and that I was dismayed to see such things as repricing of equipment on the list. I said further that while I could understand why he would feel placement of the machines was important from their point of view in determining what kind of a settlement to make, reasonableness on their part was important to us in determining

STAT

SUBJECT: Discussion with Stuart Johnson, Burroughs Corp.,  
3 December 1982

what steps are appropriate in disposing of the equipment. Inflated claims, I said, would quickly erode my zeal to help them find homes for the equipment in question.

5. He said he understood my position and would convey it to his management, along with the news that things looked good for placement of the five machines remaining on our hands. He said that the nature of the settlement and the placement were inextricably linked. "I think we understand each other" were his words, I believe, as the conversation closed. The tone of the conversation was entirely cordial.

/s/ Bruce T. Johnson

Bruce T. Johnson  
Director of Data Processing

Distribution:

Orig - Burroughs  
1 - SAFE  
1 - TRW  
1 - O/D/ODP/Chrono  
② - ODP/Registry

STAT D/ODP:BTJohnson:jt [ ] 7 December 1982)

(Written 4 December 1982 but not put in final form until the 17th.)